

CHAPTER 2

AUTHORITIES , RESPONSIBILITIES, AND FUNCTIONS

A. AUTHORITY

1. Title I of the DPA authorizes the President to:

a. Require that contracts or orders relating to certain approved defense or energy programs be accepted and performed on a preferential basis over all other contracts and orders.

b. Allocate materiels, services and facilities in such a reamer as to promote approved programs for the national defense.

2. Section 18 of the SSA authorizes the Government--to obtain priority delivery of any articles or materiel exclusively for the use of the Armed Forces of the United States. This applies to any person operating a plant, mine, or other facility capable of producing the required quantities of such articles or materiel.

B. DELEGATION OF AUTHORITY

1. To carry out the DPA and SSA authorities referenced in section A of this chapter, the President, by Executive Orders (reference (e) and (f)) has delegated Priorities and Allocations (P&A) authority for industrial resources (articles, materiels, services, and facilities, including construction materials) to the Secretary of Commerce to support certified national defense programs .

2. The Secretary of Defense has been delegated the responsibility to determine and certify which national defense programs (military production and construction, military assistance to any foreign nation, stockpiling, outer space, and directly related activities) may be supported by the P&A authority.

3. The DoC implements its delegated P&A authority by issuing, administering and enforcing the DPAS Regulation 15 CFR 700. The Secretary of Commerce has redelegate authority under the DPAS to the Secretary of Defense to apply priority ratings to contracts and orders which support DoD certified national defense programs. These programs are identified in DPAS Delegation 1 (Appendix A).

4. The Secretary of Defense has redelegate the DPAS authority to the Under Secretary of Defense (Acquisition & Technology) (USD(A&T)), with further redelegation to the Assistant Secretary of Defense for (Economic Security) (ASD(ES)) to implement the DPAS.

C. FUNCTIONS AND RESPONSIBILITIES

1. The Under Secretary of Defense (Acquisition & Technology) (USD(A&T)) shall:

a. Oversee the execution of DPAS and productive capacity expansion authorities delegated to the Secretary of Defense in references (b), (e) and (f) .

b. Determine which DoD programs shall be rated under DPAS .

c. Nominate to the Secretary of Defense for the President's approval, DoD programs of the highest national priority for inclusion in the DoD's Master Urgency List (MUL) (Chapter 8 of this publication). If approved, for inclusion in the MUL, these programs will be identified under the category BRICK-BAT (DX rating) .

d. Nominate for the Secretary of Defense's approval DoD programs of highest defense priority for inclusion on DoD's MUL. If approved, for inclusion on the MUL, these programs will be identified under the category CUE-CAP (DO rating) .

e. Provide as appropriate, written delegations of P&A authority to the heads of DoD Components and Associated Agencies, including authority to endorse requests for Special Priorities Assistance (SPA) .

2. The Assistant Secretary of Defense (Economic Security) (ASD(ES)), unless otherwise provided by the USD(A&T), shall:

a. Establish DoD DPAS policy and guidance including a DoD Priorities and Allocations Manual (PAM) .

b. Ensure DoD compliance with the DPAS.

c. Resolve internal DoD conflicts by allocating limited resources (such as materiel and manpower) among authorized programs, when necessary.

d. Resolve any internal DoD diversion of deliveries and/or production rescheduling conflicts.

e. Resolve DPAS conflicts involving other Federal Agencies in conjunction with the Assistant to the President for National Security and cognizant Federal Agencies.

f. Review requests for SPA and sponsor such requests to the DoC, when appropriate.

- g. Develop the MUL (classified "SECRET") to reflect programs approved by the President or the Secretary of Defense.
- h. Review audits on the use of priority ratings by foreign contractors issuing rated orders to domestic suppliers.

3. The Heads of DoD Components and Associated Agencies shall:

a. Designate DPAS officers and alternates, and authorize them to endorse requests for SPA; and, forward names of DPAS officers and alternates to the ASD(ES) .

b. Ensure that all elements of their respective components or agencies are in compliance with the DPAS and this Manual 1.

c. Delegate, in writing, DPAS authority through appropriate channels to operating DPAS officers in subordinate elements.

d. Ensure that their personnel (DPAS officers) responsible for implementing the DPAS are thoroughly familiar with its provisions and with the provisions of this Manual.

e. Establish internal operating procedures to:

(1) Designate and train DPAS officers at all subordinate organizational levels that award or administer defense contracts. (Maintain DPAS officer directory including names, telephone numbers, and organizational addresses.)

(2) Review, when required, requests for SPA for urgency, nonavailability of internal solutions, and sufficiency of impact statements. (See Section B of Chapter 5.)

(3) Allocate materiel in short supply to programs according to DoD internal priorities using production delivery schedules, contract commitments, and program priorities, as established by the MUL.

(4) Reschedule deliveries of assigned items so as to support DoD Program objectives.

(5) Conduct internal audits and compliance reviews.

4. Procuring Activity DPAS Officers shall:

a. Participate in and/or perform compliance reviews at contractor facilities with the Defense Contract Management Command (DCMC) representative. Remind problem suppliers of DPAS requirements and determine if such suppliers are in compliance

with DPAS. Report problem contractors to higher headquarters, as appropriate.

b. Develop training materials; train Government representatives, and provide orientation briefings to executives, Program Management Offices (PMOs), and contracting production management personnel. Review implementation of the DPAS by all persons who are in receipt of rated orders.

c. Review and validate requests for SPA to determine compliance with DPAS criteria, adequacy of internal resolution actions and impact statements, and urgency of the request to the component's or agency's mission.

(1) Determine if other sources (including DOD inventories, new contracts, and repair contracts) can alleviate the shortage.

(2) Assist and advise the contracting officer in determining whether a contract modification should be issued to authorize additional compensation such as premium pay.

(3) Resolve SPA cases when possible.

(4) Document actions taken on interservice/agency conflicts or unresolved requests for SPA and forward them to higher headquarters in accordance with Chapter 5.

d. Approve contractors' requests for authorization to apply priority ratings to orders for production or construction equipment. (See figure 3-2, DD Form 691.)

e. Submit nominations for inclusion in the MUL. Review currency of MUL Programs BRICK-BAT or CUE-CAP designations as necessary, but as a minimum annually. (See Chapter 8.)

5. Contracting Activities shall:

a. Apply priority ratings to contracts or orders in accordance with the DPAS, the Federal Acquisition Regulation (FAR 12.304), this Manual, and delegations and procedures established by their component or agency head.

b. Prepare a Request for SPA whenever they are unable to obtain timely-delivery of items or for any other reason as set forth in the DPAS and are unable to resolve the problem at the local level. (See Appendix A.)

c. Have their DPAS officer review and resolve, if possible, each request for SPA submitted by their contractors, CAO DPAS Officer, or prepared internally.

d. Provide impact statements to support requests for SPA .

e. Forward unresolved requests for SPA to the higher headquarters DPAS officer.

6. Contract Administration Office (CAO) DPAS Officers shall:

a. Provide training to other CAO representatives

b. Schedule regular DPAS briefings and training for contractors to assure awareness of responsibilities and benefits.

c. Review contractors' compliance with the DPAS on all rated prime contracts, subcontracts (when authorized) , -and purchase orders.

(1) Confirm that rated orders are given preferential treatment.

(2) Check placement into contractor's queue for best delivery schedule.

d. Provide the PCO a heads up when the contractor is encountering production problems which might cause delinquencies.

e. Verify DX rated orders with the procuring activity DPAS officer as necessary.

f. Document cases when a cognizant contractor refuses or is unable to comply with the DPAS, and forward to the procuring activity DPAS officer.

g. Process DD Form 691 request for rating authority for equipment to procuring activity DPAS Officer for approval.

h. Advise contractors to investigate all other potential solutions (substitution, cannibalization, etc.) in trying to resolve production problems.

i. Advise contractors to prepare requests for SPA when appropriate and other alternatives and expediting methods were unsuccessful.

j. Review SPA cases to ensure all pertinent information (statement of urgency, Program impact, etc.) is provided to support request.

k. Forward unresolved requests for SPA to the procuring activity DPAS Officer.

1. Respond to requests from procuring activity personnel seeking information on cognizant contracts in support of DPAS actions.